

## CHAPTER 6

# In Pursuit of Stability: Organizational and Contractual Problems

September–December 1979

I have to tell you that the start-up of the Israel project is a good example of how not to do it.

Maj. Gen. Bennett L. Lewis<sup>1</sup>

From my vantage point, the one Corps individual with the strength and capacity to deal with all facets of the program was General Bennett L. Lewis. More than any other person, I credit him with putting in motion the necessary events and actions which have brought the construction management to its present good posture.

Lt. Gen. John W. Morris<sup>2</sup>

When the Near East Project Office was established, everyone involved with project management understood the need to convert the letter contracts into definitive documents. However, the contracts were not alone in their need for clarification. Before the office functioned smoothly, it too required further definition. Despite the planning that preceded occupation of the Palace Hotel, the initial organization was a preliminary and tentative arrangement that was useful only for starting the job. Time and firm leadership were needed to work out internal relationships, define staff functions, and establish an efficient organization. Relationships with the program managers and the area offices also needed to be worked out. Months passed and major personnel changes took place before the project organization was defined conclusively.

When the headquarters moved into the Palace, one major change already had taken place. Johnson was no longer in command of North Atlantic Division. He had moved to Washington, where he replaced Burnell as deputy chief of engineers. A new di-

vision engineer, Maj. Gen. Bennett L. Lewis, arrived in New York in August. In some ways, Lewis contrasted markedly with his predecessor. Quick with a smile or a wisecrack and with a twinkle in his eye, the well-liked Johnson had given his subordinates in Tel Aviv almost a free hand. Lewis was more intense in appearance and manner. "He learns the business by getting deeply involved in details," his deputy Paul Bazilwich commented, "and he learns it very quickly at great frustration to you as an individual because he asks some very embarrassing questions."<sup>3</sup> Morris considered him "very smart and very tenacious, tireless, and perceptive."<sup>4</sup> Lewis did not tolerate foolishness. He was sometimes impatient and could seem obsessed with his work.

Their approaches to the transition reflected the differences between the two men. At Lewis' request Johnson identified the most important concern facing Lewis as division engineer. Although Johnson considered the project in Israel very important, he believed that "the commander has got to think of the future," which he thought lay in North Atlantic Division's continued involvement in the development of water resources. Therefore he advised Lewis, whose major assignments had been in armaments development and procurement rather than water resources development and military construction, that preparation for congressional hearings on the civil works budget should receive the highest priority.<sup>5</sup>

Lewis did as Johnson suggested but soon decided that he had chosen the wrong course. Lewis was not sure that civil works represented the wave of the future for the Corps. In fact, he foresaw a continued decline in the budget and in congressional authorization for new water projects. Moreover, Lewis thought the work in Israel was extremely important, "not an Army project, and not a Defense project," but "a national project with very serious international implications."<sup>6</sup> When he focused his attention on the air base project, he did not like what he saw. He went to Israel for ten days in early September, visited the sites, and talked with the managers. He came away with a poor impression of operations and arrangements. He saw difficulties with the contractual framework, the organizational structure, the lack of consensus on goals, and operations themselves.

Even before his first visit to Tel Aviv, Lewis turned his critical eye to the contracts for the project. He understood that the government had resorted to cost-type contracts because of the uncertainties in the work. However, he did not consider the fixed-fee contract the best choice because it contained no monetary inducements for meeting the all-important 25 April 1982 deadline. He wanted a contract that

guaranteed the contractor a basic fee and included financial incentives for timely completion and for staying within the budget.<sup>7</sup>

For help in determining the suitability of an incentive clause, Lewis turned to the Corps' Construction Engineering Research Laboratory. In Champaign, Illinois, the facility had branched out beyond its initial mission of long-term research in construction and now included a team that specialized in management issues. Two members of this unit, team chief Michael J. O'Connor and Glenn E. Colwell, analyzed the situation for Lewis. They concluded that introducing incentives for early completion as well as for cost control was indeed possible because the contractors still operated under letter contracts pending agreement on the definitive instruments. They also told Lewis that a cost-plus-fixed-fee contract represented the worst possible arrangement, whether from the standpoint of the lack of incentives for saving money, the anticipated price, or the administrative effort involved. This type of contract contained no incentives for economical management, so the government would have to monitor the contractor's activities closely and help manage the project.<sup>8</sup>

While O'Connor and Colwell examined the contracts, Lewis looked at the government organization. The Near East Project Office was still in its organizational infancy. It lacked management systems and had few established procedures. Many positions had not been filled. Others had, but in the wrong sequence, with clerks being sent over before professionals and supervisors were even hired. Relations among members of the staff were also unclear. Worst of all from Lewis' point of view, individuals from many organizations made up the office instead of a cadre from one source. This staffing method was inevitable: the Corps did not have a ready-made project office that it could have sent to Israel. Because of how the office had been pieced together, its staff did not function as a team. Lewis thought the headquarters did not have control of the project. He also thought the Corps could and should have done better.<sup>9</sup>

Lewis also saw the need for clear goals acceptable to all managers, whether they worked for the government or the contractors. From the start, Lewis viewed delivery of operational airfields by the April 1982 program deadline as his primary goal. He recognized the importance of quality and understood the Israeli concern for economy. If "a decision require[d] a trade-off between cost and time," he said, "time had precedence." He considered it crucial to "insure that the United States . . . did nothing that could be held up as a reason for the Israelis not leaving the Sinai on 25 April 1982." Nevertheless, he did not consider this date a useful target for the

construction agent. Only completion of facilities needed for initial operating capability well before the spring of 1982 would enable the United States to meet the April goal. The Israeli Air Force would need time to install its equipment, move people onto the bases, check out systems, and evaluate construction. Operations associated with site activation would take months. So he wanted completion by October 1981 of all construction needed for the start of base operations. He complained that Corps people "reacted very slowly, too slowly" to this need, but he insisted that they focus on that goal and plan accordingly. Eventually, they did so.<sup>10</sup>

Lewis was also dissatisfied with the Near East Project Office's actual operations. The mission demanded creative approaches. Nevertheless, he found key civilian managers approaching their work routinely, "not in an innovative and practical mode with the urgency needed to match the requirements and sensitivities of the project." One senior employee in Tel Aviv told Lewis that his major problem involved the curtains in his hotel room. Lewis thought this complaint typified an excessive concern with creature comforts throughout the project.<sup>11</sup>

By the time that Lewis decided that he should concentrate on the air base program, Gilkey knew some of these problems. In August he reported that his office's structure was unclear. He did have the help of Hugh Bartley, who he described as his "de facto deputy." Operating under the title of assistant for administration, Bartley supervised all nonengineering functions, fulfilling the role Johnson had envisioned for the resource manager. He was responsible for contract administration, personnel, public affairs, security, procurement, administrative services, and communications. But Gilkey knew that Bartley would be available for only a short time, and many of the staff sections had managers who were on the job only until permanent employees could be found. For example, even with an impending authorization for an \$800 million budget, the resource management office had only three permanent employees at the beginning of August: the deputy chief, one auditor, and a secretary. Those who remembered the North African airfields would have agreed: a three-person resource management office would not do.<sup>12</sup>

Gilkey had other help as well. In June 1979 Col. Irving Kett had been called to active duty for the project at his own request. Kett's credentials seemed perfect. A professor of engineering at California State University, Los Angeles, he had worked in Israel for five years as chief design engineer for the Division of Highways in the Ministry of Public Works. He spoke Hebrew and understood Israeli construction practices. Although Bartley left before the end of the summer, Kett remained in the office with three other senior assistants whose

jobs at the time were ill defined. Still on board was Carl Damico, who had been interim project manager during Gilkey's absence earlier in the summer. Damico's title was assistant to the project manager, although it soon became deputy project manager. Kett was assistant project manager, Lt. Col. Joseph A. Beben was assistant deputy project manager, and Lt. Col. George R. Snoddy's title was assistant to the project manager for logistics and special projects.<sup>13</sup>

These senior men were not equally successful in finding suitable work, and it took time to establish their roles. Beben, who was among the early arrivals in May 1979, started out as a liaison between Tel Aviv and the construction contractors but, after a stint in the New York support office, assisted Damico in administering the Management Support Associates contract. Damico also took over the construction division after Donald Baer returned to South Pacific Division's San Francisco office in May 1980. Snoddy replaced Damico as contracting officer in the fall of 1980 and represented the project with the Air Force commissary system, which supplied much of the food for the dining rooms. Of the four, Kett had the most difficulty finding useful work.<sup>14</sup>

The only substantive job Gilkey could find for Kett involved preparing the weekly situation report to North Atlantic Division, which Kett compiled from material provided by Tel Aviv staff sections, the area offices, and the contractors. This task represented a misuse of Kett's talents, and Gilkey was no more comfortable with it than Kett. Leaving the door open for consideration of more suitable work, Gilkey encouraged "suggestions . . . with regards to better utilizing your unique qualifications within the NEPO organization." Meanwhile Kett diligently garnered, sorted, and sent information to New York.<sup>15</sup>

If there were too many assistants at the level just below Gilkey, the problem with the next tier down was different. As the glut of deputies showed, no coherent management team had been hired, allowed to select supervisors and technicians, and sent to Israel. So engineering and construction divisions rounded out their staffs unsystematically. Neither Baer nor Thomas had the chance to select their staffs before going to Israel. When Damico first arrived, he found one professional engineer and nearly a dozen secretaries and typists. Because of the numerous volunteers in New York for clerical jobs, they were filled as quickly as they opened. Only later did the supervisors and professionals come. The recruiting was carried out in New York and Washington, sometimes influenced positively from Tel Aviv as when Thomas managed to get Gene Mahoney and Richard Huggins for the liaison offices at the sites. The rush to establish the organization, well intentioned though it was,

may have obscured the need for a systematic approach. As McNeely said, looking back on the process, "It was a lousy way to do it."<sup>16</sup>

The staff's problems underscored the need to develop an efficient project team. Conflict between bureaucrats over perquisites or the avoidance of onerous jobs hit the office early. Two high-ranking civilians with adjacent offices fought it out on paper over the responsibility for ordering bulletin boards.<sup>17</sup> One of the participants in this feud also became involved in a dispute over the assignment of hotel rooms. He felt his room was not commensurate with his rank, rejected all explanations, and carried his complaint to the president of the United States.<sup>18</sup> These disputes were still unresolved when unsanitary conditions forced the closing of the hotel dining room. Although the shutdown lasted only twenty-four hours, from dinner on 17 September through lunch on the following day, it forced 200 employees and dependents to look elsewhere for their meals and seek reimbursement afterward. Problems with food service continued for at least a month and constituted a major distraction for everyone, management included.<sup>19</sup>

Back in the States Lewis was trying to get control of the situation. He had left Israel with a low opinion of the Near East Project Office. He thought the staff did not understand the project's complexity or the needs of the customer. He also thought management gave too little attention to conclusion of the definitive contracts. After returning to New York, he waited in vain for word that Gilkey's staff was reacting to his guidance and direction. Bartley, who in Vietnam had commanded a cavalry squadron alongside Lewis' combat engineer battalion, served as Lewis' link with Gilkey's office. Lewis considered Bartley "a genuine hero" for his battlefield leadership and an astute observer of human behavior. Bartley's reports on Tel Aviv's responses to Lewis' direction reinforced the latter's feeling that he was being tolerated and patronized. Lewis also concluded that little was being done. With Bartley's help, Lewis spelled out his goals. He set deadlines for completion for Gilkey, who still had to deal with the dining room problem and the question of Colonel Kett's role.<sup>20</sup>

Lewis knew that protracted negotiations preoccupied government and contractor management. Within the Corps, the long process meant that the Near East Project Office's chief counsel, John R. Brown, had to get temporary help for his routine business while he concentrated on the contracts. The contractors also put their best people to work on these discussions. As Brown said, "Their top people who are vitally into this job, who ought to be down at that site doing the work and overseeing it, are spending half their time negotiating to definitize the letter contract."<sup>21</sup> Manuel Schechet

had warned Gilkey that the concern for concluding the contracts was beginning to affect the project. The emphasis on negotiations, he said, delayed contractor recruitment for design personnel. It also led them to resort to short-term employees as a stopgap measure.<sup>22</sup>

One of the contractors concluded a definitive agreement fairly quickly. Management Support Associates and the government settled on a total cost of \$48 million during the first week of September. This contract was organized on the basis of task directives, issued by the government when it needed support in a particular area and covering a wide range of activities at the construction sites, in Tel Aviv, and in the United States. At Ramon and Ovda these included construction support services ranging from quality assurance to cost review. In Tel Aviv the jobs ranged from life-support functions to operation of project communications and control of design documents. The New York office managed the operation in Israel and assisted with stateside procurement. Each task carried a separate budget.<sup>23</sup>

By mid-September only the two design and construction consortia still worked on the basis of letter contracts. The Corps group under Thayne Coffin, known as the D-team, was charged with concluding the definitive instruments. The group contended that letter contracts put the government at a disadvantage. Especially in a cost-plus-fixed-fee situation, with the profit based on an estimated cost, contractors had little interest in quickly concluding the negotiations. The longer they took, the more accurate their cost data became.<sup>24</sup> All the while, as Thomas and Brown agreed, they would be secure in the knowledge that the government would take no action that endangered completion of the air bases. To some it may have seemed in September 1979 that the negotiations would drag on forever. Early in July, Wray had appointed negotiators and later in the month sent them to Israel. He estimated then that the job would take from thirty to forty-five days.<sup>25</sup>

A team of three auditors supported the Corps negotiators. The Definitization Internal Review Team—known as DIRT—was Hewitt's brainchild. It operated in direct communication with Hewitt and reported its progress to him. With a room, a conference table, and a calculator at the LaRomme, Frank Billiams, Norman Jensen, and Carmy Zweig analyzed the contractors' plans. They reviewed the constructors' definitization plans for compliance with the contracts, evaluated their cost estimates, and looked for glaring dissimilarities in costs for similar work items. Much of their work focused on personnel costs, the number of people, and their benefits and holidays. They also evaluated work plans and standard procedures. Sometimes they found arithmetic errors of as much as 400 per-

cent. Although independent of the D-team, DIRT supported Coffin with analyses and recommendations.<sup>26</sup>

The negotiators also set up shop in the LaRomme. Before long the tremendous differences in the positions of the contractors and the government became clear. Air Base Constructors first submitted an estimate of \$650.7 million, \$583.0 million of which was the direct cost of construction. The remainder represented their fee, general and administrative costs, and contingencies. The government thought the Ramon project should cost \$370.8 million. The divergence came at least partly from differing concepts of what the jobs entailed. The contractor's initial amount was based in part on Israeli drawings that delineated excavation and construction that were not in the plan of work. Lewis thought other factors included "the many uncertainties associated with the job" and the knowledge that ultimately the fee would be calculated as a percentage of the estimated cost. The government's figure came from the scope of work written in the contract as modified by the plan. By late September negotiations narrowed the gap between estimates considerably. The contractor had reduced proposed direct costs to \$483.8 million, almost \$100 million below the original estimate. The Corps had increased its figure by nearly \$40 million to \$407 million. The difference was about \$75 million.<sup>27</sup>

The general managers for both contractors never held out much hope for early agreement. Fred Butler spotted trouble at the beginning of August. He and the Corps differed over their understanding of the contractor's responsibility for a proposal. Butler thought that a schedule of services was required; the Corps seemed to want a detailed estimate with a management plan for the duration of the project. "It would appear to us," he wrote then, "that progress is not adequate to have a contract by 15 September."<sup>28</sup> Unlike Butler, Warren Pettingell did not make public the reasons for his pessimism. Still, he too clearly had his doubts about early completion. In four consecutive reports he called the negotiation process "painfully slow."<sup>29</sup>

At first the office in Tel Aviv had been sanguine about completing the contracts by September. Later Gilkey foresaw problems. He became concerned that the contractors might delay the proceedings and cause negotiations to drag on. Lewis stepped in at this point, with two objectives in mind. Angry because his directions were not being followed in Tel Aviv and unsure of the ability of the office to do the job, he decided that he needed a Corps of Engineers general as project manager. This matter he would take up later with Morris. His other goal was to complete the definitive contracts.<sup>30</sup> He told Gilkey that preparation of a detailed govern-



ment cost estimate “so sound as to enable you, your top people, and me to stake our professional reputations upon it” was the key to concluding the contracts. A mutually satisfactory work plan would serve as the basis for this estimate. The estimate would provide a means for analyzing contractor figures and resolving differences between the constructors and the government while showing the contractor that the government was serious about completing the process.<sup>31</sup>

Lewis placed a high priority on concluding the definitive contracts and considered the negotiators “very capable individuals.” However, in keeping with his own inclination to participate actively in important tasks, he wanted the three colonels—Gilkey, who was then contracting officer for both construction contracts; and Cols. Donald M. O’Shei and Richard L. Curl, who eventually would command the Ramon and Ovda Area Offices, respectively, and assume management of the contracts pertaining to their respective sites—to become personally involved in the effort. “The responsibility for completing the process was theirs,” Lewis said, “not that of the specialists who were sent . . . to assist Corps management.” He wanted Gilkey to spend less time responding to queries from the program managers and to concentrate on the government cost estimate from which he would negotiate definitization with the contractors.<sup>32</sup>

Estimators Ron Hatwell and John Reimer spent part of the summer and fall of 1979 in Israel with the D-team. The emphasis in the estimate shifted to determining the number of buildings, their size, and specifications. The estimators already had refined their original estimate and come up with an amount of \$1.04 billion. But with design far from complete and no firm construction schedule, the process still involved conjecture.<sup>33</sup>

Lewis understood “the chaotic situation” regarding the drawings. The project was trying to replicate Etzion and Eitam from the drawings for those airfields. At least fifty different architect-engineers had been involved in the design of those bases, which the Israelis had built over several years as funds had become available. By American standards the drawings were incomplete and inconsistent. Moreover, the accompanying specifications were in Hebrew.<sup>34</sup>

With characteristic impatience, Lewis gave Gilkey a month to prepare a government estimate “in which you place a high level of confidence” and to compare it with contractor estimates. He wanted Curl and O’Shei to assemble estimates for their sites that were so good that they could “stake their professional reputations on these estimates.” Gilkey would use these for his overall figure. Failure to begin actual negotiations by 15 October, he said, would require escalation of the process to higher headquarters. “If you

see our schedule slipping for any reason," he admonished Gilkey, "please let me know immediately. It is necessary that we do not lose sight of what we expect to get done in the next six weeks."<sup>35</sup>

Negotiations with both contractors resumed in mid-October. Lewis actively participated, as did Gilkey, O'Shei, and Curl. Also involved for the Corps was Coffin's D-team. Depending on the needs of the moment, this group varied from as few as eight to as many as thirty people. It included estimators, attorneys, auditors, and negotiators. Joe B. McNabb, chairman of the Guy F. Atkinson Company, and David Perini of Perini Corporation also went to Israel with other partners in the consortia to join their general managers on the sites in concluding the discussions.<sup>36</sup>

Although numerous specific issues were involved, both negotiations included some similar disputes, notably those involving the cost of architect-engineer design services. The problem resulted in part from circumstances beyond the control of the program planners. The Shiite fundamentalists in Iran who deposed the shah and guided the Islamic revolution canceled large Israeli construction contracts and expelled the Israelis from Iran. Many Israeli design firms found themselves out of work.<sup>37</sup>

Several times during the life of the project, the Ministry of Defense took or urged actions to mitigate the resultant shock to the Israeli construction industry. In this instance, the ministry hired numerous architect-engineers to work on plans for the air bases. The designers affiliated with the American contractors had expected to do this work themselves and had organized their operations accordingly. Other areas of dispute included the cost of materials and the dollar value of construction.<sup>38</sup> In fact, even after agreeing on the cost of equipment, life support, design, and supervision, the government and contractors "were far apart," as Gilkey noted, "on the direct cost of the construction itself."<sup>39</sup>

During the negotiations, Lewis raised the possibility of financial incentives for timely completion. The contractors declined to incorporate such changes into their contracts. Doing so would make their profit dependent on the later findings of a government board. Moreover, they were wary of an arrangement with which they lacked experience, particularly in the context of a project that already promised surprises aplenty.<sup>40</sup>

Arrival at a mutually acceptable figure for the direct cost of actual construction was a major effort. Without specifications and complete plans, no one could be sure of the quantities of materials to be ordered or the schedule that would determine the sequence of construction. So price tags were put on buildings and other fea-

TABLE 1—COSTS OF DEFINITIVE CONTRACTS  
(in millions)

Category	Negev Airbase Constructors (Ovda)	Airbase Constructors (Ramon)
Direct Costs . . . . .	\$402.6	\$400.7
Contingencies . . . . .	17.4	27.8
General & Administrative . . . .	6.3	6.4
Fees. . . . .	27.7	27.6
Totals . . . . .	\$454.0	\$462.5

Source: MFR, Lewis, n.d. [c. 10 Nov 79], sub: Definitization of Letter Contracts, IABPC, 5/9.

tures, as John Reimer remembered, based on “sketches and very broad preliminary drawings.”<sup>41</sup>

The issues between the government and the contractors came down to money. The contractors’ estimates, which still seemed “extremely conservative” to Gilkey, were much higher than those done by the Corps. At the outset, Air Base Constructors asked for over \$650 million, compared to the government estimate of just over \$370 million. Gradually, the contractor cut its estimate and put a \$470 million price tag on the Ramon work. This sum included \$40 million for general and administrative overhead and fee. Negev Airbase Constructors, which initially asked for more than twice the government estimate, came in about \$30 million lower, with a \$440 million figure.<sup>42</sup>

Acceptance of these figures would still have put costs over the program amount, forcing the Israelis to reduce the scope of the project or to add money. In the course of negotiations, Ramon came down to \$400.7 million, even accepting a \$6 million reduction in fee and overhead; Ovda lowered to \$402.6 million, including a \$34 million reduction in fee and overhead (*Table 1*). In both cases, Lewis personally negotiated the reductions with the contractors. The resultant totals, with the fees and other additional costs, closely matched the previous estimates for construction alone.<sup>43</sup>

In spite of reaching substantial agreement on the price tags in November, the process dragged out into the spring of 1980. The actual contracts were signed in early March but were backdated to the May 1979 dates of the letter contracts.<sup>44</sup> At last a clear picture of expected overall costs was available. At the same time, Gilkey transferred contracting officer authority and responsibility for overall management of the contracts to O’Shei at Ramon and Curl at Ovda.<sup>45</sup> The construction contracts absorbed the bulk of the money allotted to the program. The budget for operating all Department of Defense management elements, which included mili-



*Joe McNabb of Air Base Constructors and Colonel Gilkey sign the Ramon contract.*

tary and civilian labor and travel costs for Hartung's office, the Near East Project Office, the area offices, and the Department of Defense auditors, equaled that for the management support contract. An additional \$20 million went for operating General Bar-Tov's office, and a small amount remained in reserve. The total came extremely close to the original figure Reimer's estimators had developed in Washington.

*Program Budget<sup>46</sup>*

Management Support Associates.....	\$ 48,000,000
Air Base Constructors .....	462,500,000
Negev Airbase Constructors.....	454,000,000
Israeli Ministry of Defense .....	20,000,000
U.S. Department of Defense .....	48,000,000
Reserve.....	7,400,000
Total.....	\$ 1,039,900,000

Although most of the issues surrounding the definitive contracts were resolved in November, the Near East Project Office

remained in its formative stage. Not only did the formalities take several months to complete, but matters regarding the capability and status of the office remained unresolved. Toward the end of 1979 Gilkey himself expressed concern regarding the effectiveness of his staff: managers seemed unable to direct their people, the office missed deadlines for reports, and communication with the sites was in disarray.<sup>47</sup> Lewis understood these problems and hoped to resolve them by putting a general in command. At that point, however, he was more concerned about the relationship between Gilkey's office and the program managers. He thought "the understanding of the relationship is not adequate and needs better definition and clearer understanding."<sup>48</sup> Clarification of this situation and the related questions of command were high on his agenda as he sought a stable basis for the project's operation. Much of the winter and spring of 1980 were devoted to attaining management equilibrium among Gilkey, Hartung, and Bar-Tov.

## Notes

1. Interv, author with Maj Gen Bennett L. Lewis, Jan–Feb 82, part 1, Washington, D.C.

2. Ltr, Lt Gen John W. Morris to Honorable Samuel Lewis, American Ambassador, U.S. Embassy, Tel Aviv, Israel, 14 Aug 80, IABPC, 7/5.

3. Bazilwich interview.

4. Morris interview.

5. Johnson interview; Lewis interview, Jan–Feb 82, part 1.

6. Lewis interview, Jan–Feb 82, part 1.

7. Ibid.

8. Interv (telephone), author with Michael J. O'Connor, Nov 84; O'Connor and Glenn E. Colwell, *Cost-Plus Incentive Fee for Construction Contracts*, Technical Report P-118 (Champaign, Ill.: CERL, Dec 80), p. 9.

9. Lewis interview, Jan–Feb 82, part 1; Morris interview.

10. Lewis interview, Jan–Feb 82, part 1.

11. Ibid.

12. Memo, Col Clarence D. Gilkey, 27 Jul 79, sub: Assignment of Responsibilities, IABPC, 21/13; NEPO Sitrep No. 3, 13 Aug 79; NEPO RMO Weekly Sitreps, 3 and 12 Aug 79, IABPC, 12/6–7.

13. Telex, NEPO to NAD, 10 Aug 79, sub: American Jewish War Vets Inquiry, IABPC, 65/4; NEPO Organization Chart, 15 Sep 79, IABPC, 88/5; Maj Gen William R. Wray comments on draft MS.

14. Lt Col Joseph A. Beben, Journal, May–Jun 79 and Jan–Jul 80, IABPC, 47/2; Telex, NEPO to NAD, 3 May 80, sub: NEPO Sitrep No. 38, IABPC, 14/3; Interv, author with Lt Col George Snoddy, Apr 81, Tel Aviv, Israel; Memo, Kett for Gilkey, 24 Aug 79, sub: Utilization of the Assistant Project Manager, IABPC, 17/2.

15. Beginning on 30 July 1979, NEPO reported weekly to NAD by telex. The office used a nine-section format, which covered general subjects, engineering, construction, administrative activities, logistics, personnel, special staff actions, interim project milestones, and commander's comments; Memo, Gilkey for Kett, 20 Sep 79, sub: Utilization of the Assistant Project Manager, IABPC, 29/4; DF, Kett to Snoddy, 26 Sep 79, sub: Sitrep Submissions, IABPC, 12/3; Memo, Kett for Gilkey, 24 Aug 79.

16. McNeely interview, Sep 83; Lewis interview, Jan–Feb 82, part 1; Bar-Tov interview, May 82.

17. DF, CPO (Dieter Loose) to Chief, OAS (Billy C. Hyter), 28 Sep 79, sub: Official Bulletin Boards, with CMT 2, Hyter to Loose, 30 Sep 79, and CMT 3, Loose to Hyter, 8 Oct 79, IABPC, 29/4 and 30/1, respectively.

18. DF, Deputy Project Manager (Damico) to Chief, OAS (Hyter), 19 Nov 79, sub: Palace Billeting Facility, with CMT 2, Hyter to Damico, 20 Nov 79; CMT 3, Damico to Hyter, 22 Nov 79; CMT 4, Hyter to Damico, 27 Nov 79; and CMT 5, Damico to Hyter, 4 Dec 79. All in IABPC, 30/2–3. Ltr, Percy A. Pierre, Assistant Secretary of the Army, RD&A, to Billy C. Hyter, 26 Oct 79, IABPC, 8/2.

19. Ltr, Gilkey to GM, MSA (Robert I. Barry), 17 Sep 79, sub: DACA52-79-C-0002, IABPC, 29/4; Ltr, Gilkey to Barry, 8 Oct 79, sub: Palace Kitchen Operation, IABPC, 30/1; MSA Weekly Sitrep, 24 Sep 79, IABPC, 12/13.

20. Ltr, Lewis to Morris, 26 Dec 79, IABPC, 1/7; Lewis, Memorandum of Meeting with Lt Gen John W. Morris, Maj Gen Joseph K. Bratton, and Maj Gen William R. Wray, 12 Aug 80, IABPC, 5/9; Interv, author with Lewis, Jan–Feb 82, part 4, and Nov 83.

21. Interv, author with John R. Brown, Aug 80, Tel Aviv, Israel.

22. Ltr, Schechet to NEPO Project Manager, 30 Aug 79, sub: Interim Report No. 3, IABPC, 80/6; Telex, Lewis to Gilkey, 25 Sep 79, sub: Planning Schedule, IABPC, 65/6; Lewis, Memorandum of Meeting, 12 Aug 80.

23. William Augustine, Information Paper, 10 Sep 79, sub: Israeli Air Base Program, IABPC, 5/9; Ltr, Dorman R. Mabrey, Assistant for Contract Administration, MSA, to NEPO Contracting Officer (Damico), 10 Jan 80, sub: MSA Task Directives 1-000 through 14-000, IABPC, 31/3. For a copy of the contract, see IABPC, 53/3.

24. DF, NEPO Office of Counsel (John R. Brown) to NEPO Resource Manager (Joseph R. Chapla), 2 Sep 80, sub: Correct Action/Input on Survey/Audit by OCE Auditors, IABPC, 33/3; DF, NEPO Resource Manager to Assistant Deputy Project Manager, 15 May 80, sub: Input for Project Manager's Letter to the Chief of Engineers, IABPC, 33/1.

25. Thomas interview, Aug 80; Brown interview, Aug 80; Telex, Wray to Division Engineers, 5 Jul 79, sub: Formation of Two Contract Negotiating Teams for Israeli Airfields, DAEN-MPC-G files.

26. Interv, author with Frank Billiams, Nov 86, Washington, D.C.

27. Jack G. Starr and Jack Shields, Record of Negotiations to Definitize Letter Contract DACA52-79-C-0003 for Air Base Ramon, Israel (hereafter cited as Starr and Shields, Record of Negotiations for Ramon), 27 Sep 79, IABPC, 9/5; Lewis interview, Jan-Feb 82, part 4; Interv, author with Michael Maloney, Aug 80, Tel Aviv, Israel.

28. ABC Weekly Progress Reports, 1 and 8 Aug 79, IABPC, 12/5-6.

29. NAC Weekly Progress Reports, 17, 24, and 31 Aug and 9 Sep 79, IABPC, 12/7-10.

30. NEPO Sitreps No. 1, 30 Jul 79; No. 2, 6 Aug 79, IABPC, 12/5; No. 4, 20 Aug 79, IABPC, 12/7; No. 5, 27 Aug 79, IABPC, 12/8; Lewis, Memorandum of Meeting, 12 Aug 80.

31. Telex, Lewis to Gilkey, 25 Sep 79; Lewis interview, Jan-Feb 82, part 4. ER 415-345-230, *Construction: Negotiation Regulation for Cost-Plus-A-Fixed-Fee Construction Contracts*, p. 16, contains the requirement for a government estimate and specifies its use.

32. Lewis, Memorandum of Meeting, 12 Aug 80; Hewitt interview.

33. Reimer interview, Feb 82.

34. Lewis interview, Jan-Feb 82, part 1.

35. Telex, Lewis to Gilkey, 25 Sep 79; Lewis interview, Jan-Feb 82, part 1.

36. Telex, Lewis to Gilkey, 25 Sep 79; Brown interview, Aug 80; Ltr, Lewis to Morris, 26 Dec 79.

37. Interv, author with Col Clarence D. Gilkey, Aug 80, Tel Aviv, Israel; Hewitt interview.

38. NEPO Sitrep No. 5, 27 Aug 79, IABPC, 12/8, and NEPO Sitrep No. 14, 29 Oct 79, IABPC, 12/17; Gilkey interview; Hewitt interview; Starr and Shields, Record of Negotiations for Ramon, 27 Sep 79.

39. Gilkey interview.

40. Lewis interview, Jan-Feb 82, parts 1 and 4; O'Connor interview.

41. Reimer interview, Feb 82.

42. Starr and Shields, Record of Negotiations for Ramon, 27 Sep 79; Starr and Shields, Record of Negotiations to Definitize Letter Contract DACA52-79-0004 for Air Base Ovda, 27 Sep 79, IABPC, 9/7; MFR, Lewis, n.d. [c. 10 Nov 79], sub: Definitization of Letter Contracts, IABPC, 5/9.

43. MFR, Lewis, sub: Definitization of Letter Contracts.

44. Contract for Design and Construction of Air Base, Ramon, Israel, No. DACA52-79-C-0003, Department of the Army, Corps of Engineers, Near East

Project Office, North Atlantic Division, 18 May 1979, was signed on 6 March 1980. A copy is in IABPC, 7/1-2. Contract for Design and Construction of Air Base, Ovda, Israel, No. DACA52-79-C-0004, Department of the Army, Corps of Engineers, Near East Project Office, North Atlantic Division, 18 May 1979, was signed on 28 February 1980. A copy is in IABPC, 38/2.

45. *ENR* 204 (6 March 1980): 5; *ENR* 204 (13 March 1980): 5; NEPO Sitrep No. 33, 11 Mar 80, IABPC, 13/18.

46. DF, NEPO Resource Manager to Assistant Deputy Project Manager, 15 May 80.

47. Memo, Gilkey, 8 Nov 79, sub: COE Weekly Staff Meeting of 21 Oct. 1979, IABPC, 30/3; MFR, Gilkey, 10 Dec 79, sub: COE Staff Meeting of 9 Dec. 1979, IABPC, 31/1; DF, Gilkey to all NEPO Staff Sections, 28 Dec 79, sub: Communications, IABPC, 31/1.

48. Ltr, Lewis to Morris, 26 Dec 79.